

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT

AVC NO. 06-039

FILED

IN RE: ROYAL SPA CORPORATION,)
)
Respondent.)

(32) DEC 28 2006

Doris Anne Sadler
CLERK OF THE
MARION CIRCUIT COURT

ASSURANCE OF VOLUNTARY COMPLIANCE

The State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, and the Respondent, Royal Spa Corporation, enter into an Assurance of Voluntary Compliance ("Assurance"), pursuant to Indiana Code § 24-5-0.5-7.

This Assurance shall not be considered an admission of a deceptive act for any purpose; however, any violation of the terms of this Assurance constitutes *prima facie* evidence of a deceptive act. This Assurance is entered into without any adjudication of any issue of fact or law, and upon consent of the parties.

The parties agree:

1. The Respondent is a for-profit domestic corporation engaged in the sale of goods, including spas, hot tubs, saunas, swim spas, gazebos, whirlpool baths, and related parts and accessories, and transacts business with consumers from its principal place of business located in Marion County at 2041 West Epler Avenue, Indianapolis, Indiana, 46217.

2. The terms of this Assurance apply to and are binding upon the Respondent, its employees, agents, representatives, successors, and assigns.

3. The Respondent acknowledges the jurisdiction of the Consumer Protection Division of the Office of the Attorney General to investigate matters hereinafter described, pursuant to the authority of Indiana Code § 4-6-9-4 and Indiana Code § 24-5-0.5-1 *et seq.*

4. For purposes of construing Ind. Code § 24-5-10-4, the Respondent's "permanent places of business" shall be limited to the following business locations. The Respondent shall continue to update this list, and within thirty (30) days of the opening of any new business location, agrees to provide written notice to the Office of the Attorney General, as well as a copy of any lease and/or purchase agreement, identifying any additional "permanent places of business" from which it chooses to operate in the future.

- (a) Royal Spa Factory/Parts Department/Showroom
2041 West Epler Avenue
Indianapolis, IN 46217
- (b) Royal Spa
9820 Pendleton Pike
Indianapolis, IN 46236
- (c) Royal Spa
148 Creekside Drive, Suite A
Kokomo, IN 46135; and
- (d) Royal Spa
3020 East Morgan
Evansville, IN 47715

5. For purposes of construing this Assurance, a "home consumer transaction" shall mean any sale occurring within the State of Indiana at a location other than those locations identified above in Paragraph 4. The Respondent agrees, pursuant to Ind. Code § 24-5-10-9, in every home consumer transaction, as defined by Ind. Code § 24-5-10-4, to provide the consumer two (2) copies of a written notice of the consumer's right to cancel the transaction. The Respondent agrees the notice shall be on a separate document in at least ten (10) point boldface type and contain the following:

- (a) The address to which the consumer's notice of cancellation may be delivered or sent;
- (b) A statement that the transaction may be cancelled before midnight of the third business day after the consumer and the Respondent finally agree to the transaction;
- (c) A statement of the explanation of the steps the consumer must take to cancel the home consumer transaction;
- (d) A statement of the steps the consumer and the Respondent must take after cancellation of the home consumer transaction; and
- (e) The date by which the consumer must exercise the right to cancel the transaction.

6. The Respondent agrees that if any consumer exercises the right to cancel a transaction with Respondent pursuant to Indiana's Home Solicitation Sales Act, Ind. Code §24-5-10-1, *et seq.*, the Respondent shall, within ten (10) business days after the notice of cancellation is delivered, return to the consumer any payment or other consideration transferred to the Respondent by the consumer.

7. The Respondent, in soliciting and/or contracting with consumers, agrees to refrain from representing, either orally or in writing, the subject of a consumer transaction has sponsorship, approval, performance, characteristics, accessories, uses, or benefits it does not have which the Respondent knows or should reasonably know it does not have.

8. The Respondent, in soliciting and/or contracting with consumers, agrees to refrain from representing, either orally or in writing, that such consumer transaction involves or does not involve a warranty, a disclaimer of warranties, or other rights, remedies, or obligations, if the representation is false and if the Respondent knows or should reasonably know that the representation is false.

9. The Respondent, in soliciting and/or contracting with consumers, agrees to fully comply with the Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1 *et seq.*

10. Upon execution of this Assurance, the Respondent shall pay costs in the amount of One Thousand Dollars (\$1,000.00) to the Office of the Attorney General.

11. The Respondent shall not represent the Office of the Attorney General approves or endorses the Respondent's past or future business practices, or that execution of this Assurance constitutes such approval or endorsement.

12. The Respondent shall fully cooperate with the Office of the Attorney General in the resolution of any future written complaints the Consumer Protection Division receives. This shall include, but is not limited to, the Respondent promptly resolving any additional valid consumer complaints brought to the Respondent's attention by the Office of the Attorney General either prior to, or after the filing of, this Assurance with the Court. Furthermore, for a period of one (1) year from the date of the Court's approval of this Assurance, the Respondent shall cancel any home consumer transaction for which it has failed to provide the notice of cancellation required by Ind. Code § 24-5-10-9, upon written request by the consumer, regardless of the date of the original transaction.

13. The Office of the Attorney General shall file this Assurance with the Circuit Court of Marion County. The Court's approval of this Assurance shall not act as a bar to any private right of action.

DATED this 21st day of December, 2006

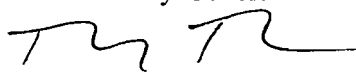
STATE OF INDIANA

RESPONDENT


STEVE CARTER
Indiana Attorney General

ROYAL SPA CORPORATION

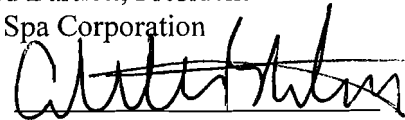
By:


Terry Tolliver
Deputy Attorney General
Atty. No. 22556-49
Office of Attorney General
302 W. Washington, 5th Floor
Indianapolis, Indiana 46204
Telephone: (317) 233-3300

By:


Richard Bartlett, President
Royal Spa Corporation

Approved:


Jeffrey W. Scripture
Albert Barclay Wong
Counsel for the Respondent

DEC 28 2006

APPROVED, this _____ day of _____

 2006

Judge, Marion Circuit Court

JUDGE PRO TEMPORE

Distribution:

Terry Tolliver
Office of the Attorney General
302 W. Washington Street, 5th Floor
Indianapolis, IN 46204

Jeffrey W. Scripture
Albert Barclay Wong
Harrison & Moberly, LLP
135 North Pennsylvania St., Suite 2100
Indianapolis, IN 46204